



United States
General Accounting Office
Washington, D.C. 20548

Accounting and Information
Management Division

B-276273

July 18, 1997

The Honorable Alfonse M. D'Amato
Chairman
The Honorable Paul S. Sarbanes
Ranking Minority Member
Committee on Banking, Housing, and Urban Affairs
United States Senate

The Honorable James A. Leach
Chairman
The Honorable Henry B. Gonzalez
Ranking Minority Member
Committee on Banking and Financial Services
House of Representatives

Subject: Jefferson Memorial Foundation Commemorative Coin Program

Section 303 of Public Law 103-186 required us to audit the use of commemorative coin surcharge proceeds received by the Thomas Jefferson Memorial Foundation, Inc. The Foundation owns and operates Monticello, President Thomas Jefferson's former home near Charlottesville, Virginia. The Foundation also operates the International Center for Jefferson Studies to conduct research on Jefferson's life. Title I of Public Law 103-186, the Jefferson Commemorative Coin Act of 1993, provided that the Foundation use the surcharge proceeds from the sale of commemorative coins to establish an endowment to support Monticello and its historic furnishings and educational programs, including the International Center for Jefferson Studies.

We determined that the Foundation received \$5 million in final coin surcharge proceeds from the U. S. Mint in June 1994 and placed the surcharge proceeds and related investment earnings into an endowment in December 1994. The purpose of the endowment is to support the Foundation's efforts to restore and preserve Monticello and its related educational programs. As of December 1996, the Foundation had not made any expenditures from the endowment, other than investment management fees. The endowment balance as of April 1997 was about \$7.6 million.

GAO/AIMD-97-119R Jefferson Memorial Foundation

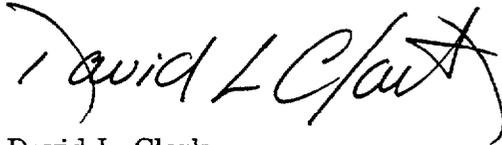
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Section 5134 of Title 31, United States Code, as amended by Public Law 104-208, now requires future coin surcharge recipients to (1) separately account for the expenditure of coin surcharge proceeds and (2) obtain annual financial audits by an independent public accounting firm until all surcharge proceeds are expended or placed in trust.¹

In conducting our work, we obtained direct confirmations from the U.S. Mint of the amounts of surcharge proceeds transferred to the Foundation. We traced those amounts to Foundation bank statements and accounting records, reviewed the Foundation's accounting for the surcharge proceeds, traced selected transactions to source documents, and verified the endowment balance as of April 1997. We also reviewed minutes of the Foundation's Board of Directors' meetings related to surcharge proceeds. At the conclusion of our work, we provided a draft of this letter to the President of the Foundation for comment and he had no comments. Our audit was performed from February to May 1997 in accordance with generally accepted government auditing standards.

Copies of this letter are being sent to interested parties and will be made available to others on request. Please contact me at (202) 512-9489 if you or your staffs have any questions about this letter.

A handwritten signature in black ink that reads "David L. Clark" with a stylized flourish at the end.

David L. Clark
Director, Audit Oversight
and Liaison

(911738)

¹Section 529 of the Treasury, Postal Service, and General Government Appropriations Act, 1997, as enacted by Section 101(f) of Public Law 104-208, the Omnibus Consolidated Appropriations Act, 1997, repealed section 303 of Public Law 103-186, effective September 30, 1996.

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